

OPENING STATEMENT OF
LUIS V. GUTIERREZ
RANKING DEMOCRAT
SUBCOMMITTEE ON OVERSIGHT & INVESTIGATIONS
“HOW MUCH ARE AMERICANS AT RISK UNTIL CONGRESS PASSES
TERRORISM INSURANCE PROTECTION ”
FEBRUARY 27, 2002

Chairwoman Kelly, members of the subcommittee and distinguished guests, I am pleased that we are holding this important hearing today to discuss an issue that is very much present in people's minds since September 11. I am sure that all of us in this room let out a collective sigh of relief and joy when the Winter Olympic Games concluded without incident. As our nation continues to recover from the events of September 11, I remain confident that the insurance market will also recover from the terrorist attacks. Nevertheless and not surprisingly, we all have different views as to how long this recovery is expected to take and how exactly it will happen.

Only last October we heard testimony to the effect that there was great uncertainty as to what would actually happen if Congress did not act to provide back-up for terror coverage. At the time, there was widespread belief that either the industry would experience a devastating setback or that the potential consequences would at least be severe enough that Congress “should worry.” Well, Congress does worry. However, I also understand that the terrorist attacks may have just only begun to affect the market mechanisms to provide terrorism insurance.

While it's reassuring to know that the worst-case scenario did not play out, many answers are still missing. For instance, how much longer before the market corrects itself and the current cycle changes? What is the cost for this potentially long-process? Has the fact that Congress has not yet provided backup legislation been detrimental as it was feared in the fall of 2001? These are all valid questions that warrant immediate and honest answers. Your acceptance to appear before this subcommittee today brings us a step closer in obtaining these answers and expediting a solution to the current problems.

I would like to thank our guests for joining us today and I look forward to hearing their testimonies.

Thank you Chairwoman.